

## LESSON PLAN

### Unit 24. INDEBTEDNESS/CREDIT REPORTS

**X-XXX-XXX2 Rev B**

#### Topic 24.2 Consumer Awareness

CLASS PERIODS: 1  
LAB PERIODS: 0

#### Enabling Objectives:

- 21.8 **IDENTIFY** Consumer Rights in accordance with The Deceptive Trade Practices and Consumer Protection Act of 1973
- 21.9 **IDENTIFY** some Consumer Frauds and Scams in accordance with The Better Business Bureau
- 21.10 **IDENTIFY** Misleading Advertising and Marketing Practices in accordance with The Better Business Bureau
- 21.11 **IDENTIFY** some Methods for Resolutions of Consumer Issues in accordance with The Better Business Bureau
- 21.12 **IDENTIFY** Consumer Resources, Military and Community in accordance with The Better Business Bureau and base Legal Office

#### Trainee Preparation Materials:

- A. Trainee Support Materials:
  - 1. None

#### B. Reference Publications:

- 1. None

#### Instructor Preparation:

#### A. Review Assigned Trainee Material

#### B. Reference Publications:

- 1. None

#### C. Training Materials Required:

- 1. Transparencies
  - a. Auto Financing, 24-2-8
  - b. Auto Repair Frauds, 24-2-9
  - c. Below Cost, 24-2-13
  - d. Confusion, 24-2-4
  - e. Consumer Awareness, 24-2-1
  - f. Consumer Resources, 24-2-18
  - g. Consumer Rights, 24-2-2
  - h. Contests and Free Gifts, 24-2-10
  - i. Enticement, 24-2-11
  - j. Going Out of Business, 24-2-6

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#### **Topic 24.2 Consumer Awareness**

- k. Instant Financing, 24-2-16
- l. Military Financing, 24-2-15
- m. Reductions, 24-2-12
- n. Resolving Issues, 24-2-17
- o. Selling Goods, 24-2-3
- p. Sidewalk Sale, 24-2-5
- q. Summary, 24-2-19
- r. Taking Advantage, 24-2-7
- s. Urgency, 24-2-14

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#### Topic 24.2 Consumer Awareness

##### DISCUSSION POINT

###### 1. Introduction

##### RELATED INSTRUCTOR ACTIVITY

###### 1. Establish Contact.

Write name on VAP board.

Introduce Yourself.

Consumer fraud is a common occurrence in today's marketplace. Defective and poor quality merchandise is also common. We are continually bombarded with advertising to entice us to buy products. This lesson will discuss many common scams to help you avoid being a victim of fraud. We will also discuss actions to take if you are a victim of fraud.

State Lesson Objectives.

###### 2. Consumer Awareness

###### 2. Show Transparency 24-2-1, Consumer Awareness.

###### a. Consumer Rights

###### a. Show Transparency 24-2-2, Consumer Rights.

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##### DISCUSSION POINT

- (1) The Deceptive Trade Practices and Consumer Protection Act of 1973 prohibits false, misleading, or deceptive acts or practices in the conduct of any business. It prohibits such things as:
  - (a) Selling goods or services as those of another
  - (b) Causing confusion as to the source of goods or services
  - (c) Stating goods are new when they are actually used, reconditioned, or even secondhand
  - (d) Falsely advertising a "Going Out of Business" sale
  - (e) Taking advantage of a natural disaster to inflate prices

##### RELATED INSTRUCTOR ACTIVITY

- (a) Show Transparency 24-2-3, Selling Goods.
- (b) Show Transparency 24-2-4, Confusion.
- (c) Show Transparency 24-2-5, Sidewalk Sale.
- (d) Show Transparency 24-2-6, Going Out of Business.
- (e) Show Transparency 24-2-7, Taking Advantage.

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##### DISCUSSION POINT

##### RELATED INSTRUCTOR ACTIVITY

#### 3. Some Consumer Frauds and Scams

- a. Despite all of the warning and consumer education available today, there is still an abundance of shady, misleading, and illegal business practices going on in the marketplace. Anyone can be scammed if the circumstances are right. Because most businesses actually are honest, we tend to trust people. An overtrusting attitude and a passive approach to financial management is often your worst enemy.

- (1) Auto financing: outside many Navy bases there will be a collection of car dealers advertising "Instant Credit E-1 and Up" and/or "No Money Down E-1 and Up." Some of these car dealerships thrive on separating you from your money.

- (2) Auto repair frauds: use such tactics as doing unnecessary repairs or even installing used parts in place of new parts, and overcharging for parts and service.

- (1) Show Transparency 24-2-8, Auto Financing.

- (2) Show Transparency 24-2-9, Auto Repair Frauds.

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##### DISCUSSION POINT

- (3) Contests and free gifts: a way of getting the customer to come into the store or order the product even though the advertised free gift states that "purchase is not required." The salesperson makes you feel obligated to spend money by giving you a free gift. The cost of this free gift is actually in the markup price of the product(s) you buy.
- (4) Health spas and dance lessons: offer of a "special" enticement (e.g., first three months free) to get you in the door in order to get you to sign a high price contract for a period of months of spa use or numbers of dance lessons.

##### RELATED INSTRUCTOR ACTIVITY

- (3) Show Transparency 24-2-10, Contests and Free Gifts.
- (4) Show Transparency 24-2-11, Enticement.

#### 4. Misleading Advertising and Marketing Practices

- a. Learn to recognize such meaningless terms as:

- (1) "greatly reduced" - reduced from what?

- (1) Show Transparency 24-2-12, Reductions.

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##### DISCUSSION POINT

- (2) "below cost" - a business cannot stay in business selling this way.
  - (3) "now or never" - creates a sense of urgency that you must buy now or miss the opportunity. A high pressure sales technique.
  - (4) "Specialists in military financing" - a technique that is used for you to start an allotment for a product which is overpriced and something which you may not actually need.
  - (5) "instant financing" - not quite. Financial company which charges a high interest rate.
- b. Remember, the goal of the advertiser is to get you to buy a product or service, to buy more in terms of quality or quantity than you planned to buy, to spend more than you intended to spend, and, if possible, to get you to buy something which you did not want or need.

##### RELATED INSTRUCTOR ACTIVITY

- (2) Show Transparency 24-2-13, Below Cost.
- (3) Show Transparency 24-2-14, Urgency.
- (4) Show Transparency 24-2-15, Military Financing.
- (5) Show Transparency 24-2-16, Instant Financing.

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##### DISCUSSION POINT

##### 5. Methods of Resolving Consumer Issues

###### a. Contact the business first

(1) If the salesperson is unwilling to help you with your complaint, go to the manager

(2) Have all your documentation

(3) Be polite and patient

###### b. Write to the president of the company if the business is unwilling to satisfy your complaint.

(1) Again, be polite and patient

(2) Send copies of your documentation; never the originals

##### RELATED INSTRUCTOR ACTIVITY

##### 5. Show Transparency 24-2-17, Resolving Issues.

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##### DISCUSSION POINT

##### 6. Consumer Resources

###### a. Military

- (1) If you believe that a company has taken advantage of you because of your military status or it is likely to take advantage of other military personnel, you can report it to the Armed Forces Disciplinary Control Board (AFDCB). The AFDCB is usually reached through the base Legal Office. If the complaint is valid and the company will not change its ways, the AFDCB can place it off limits to all military personnel. This means that military personnel are then prohibited from entering or buying from that place.

###### b. Community

##### RELATED INSTRUCTOR ACTIVITY

6. Show Transparency 24-2-18, Consumer Resources.

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##### DISCUSSION POINT

- (1) You can take your complaint to The Better Business Bureau. They have a mediation service, at no charge to you, which will try to resolve your complaint. You will have to agree to accept their decision, in writing, before they will try to help you.

##### RELATED INSTRUCTOR ACTIVITY

#### 7. Summary

- a. Consumer Rights
- b. Some Consumer Frauds and Scams
- c. Misleading Advertising and Marketing Practices
- d. Methods of Resolving Consumer Issues
- e. Consumer Resources

#### 7. Show Transparency 24-2-19, Summary.

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##### DISCUSSION POINT

##### RELATED INSTRUCTOR ACTIVITY

8. Assignment

a. None

9. Evaluation

a. None